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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF IDAHO POWER
COMPANY'S APPLICATION FOR
AUTHORITY TO INCREASE RATES FOR
ELECTRIC SERVICE TO RECOVER COSTS
ASSOCIATED WITH THE JIM BRIDGER
POWER PLANT

Case No. IPC-E-21-17

**CITY OF BOISE CITY'S
REPLY COMMENTS**

The city of Boise City ("Boise City") submits these formal reply comments on the amended application submitted by Idaho Power Company ("Company") for a prudency determination and approval of its proposed accelerated depreciation schedule for coal-related assets at the Jim Bridger Power Plant ("Bridger Plant"). Boise City submits these formal reply comments pursuant to Rule 203 of the Commission's Rules of Procedure, IDAPA 31.01.01.203, and pursuant to the Notice of Modified Procedure, Order No. 35340, issued by the Commission on March 10, 2022. Order No. 35340 provides a comment deadline of April 27, 2022, a reply comment deadline for parties that submitted comments of May 13, 2022, and a final reply comment deadline for the Company of May 18, 2022.

1. Boise City reiterates its support for the Company's overall efforts to exit coal and transition to clean energy generation resources. The Company's 2021 Integrated Resource Plan (IRP) and associated Action Plan clearly identify solar, wind, and battery storage resources as least-cost least-risk resources to the Company and rate payers to meet growing demand across the Company's service area. These non-fueled resources reduce risk of fuel price volatility and provide clear economic advantages over legacy fossil-fuel generation resources. *See* 2021 Idaho Power Integrated Resource Plan, Action Plan, p. 166-67, IPC-E-21-43.
2. The primary issue in front of the Commission in this proceeding is: were the Company's expenditures from 2012 through 2020 in the Bridger Plant coal generation assets prudently incurred, and if so, how should those costs be recovered? Boise City believes accelerated cost recovery of expenditures determined to be prudent is only appropriate if combined with a firm accelerated exit plan in place. Boise City notes the disparity between the forecasted exit dates in the Company's 2021 IRP and the forecasted exit dates in PacifiCorp's 2021 IRP. As noted by Commission Staff, Idaho Power's IRP shows it is economic for the Company to exit units and cease coal-fired generation at the Bridger Plant between 3 and 12 years earlier than PacifiCorp's IRP. Commission Staff Comments at 10. Currently forecasted exit dates for PacifiCorp at the Bridger Plant are as late as 2037. *Id.* Current contractual terms between the co-owners do not allow the Company to exit a Bridger Plant unit earlier than PacifiCorp. Larkin, Supp Di. at 9. Given the discrepancy in timelines, Idaho Power's 1/3 position in the plant, and the current contractual arrangement, a Commission directive to establish firm exit dates or closure dates is appropriate before granting accelerated ratemaking treatment. Implementing a rate increase under the current

conditions, regardless of the financial mechanism used to enter prudently incurred costs into rate base, without a guarantee that the Company will achieve the cost savings or other benefits from a negotiated early Bridger Plant exit, is not reasonable.

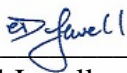
3. A negotiated exit plan for all four units of the Bridger Plant is in the best interests of customers and the Company. The Joint Comments of Idaho Conservation League and Sierra Club and the Comments of Commission Staff identify the significant challenges the Company faces managing operational considerations, and the interest of its ratepayers as the minority, 1/3, owner of the Bridger Plant and the Bridger coal mine. *See* Joint Comments of Idaho Conservation League and Sierra Club at 9-11; *see also* Comments of Commission Staff at 8. So long as the Bridger Plant continues to operate, there will be continued need for significant investment at the Bridger Plant. Without clear direction through a negotiated exit plan with PacifiCorp, the Company may not be able to reasonably ensure expenses incurred at the Bridger Plant are in line with its system needs and future generating resource plans. A negotiated exit plan with specifically identified unit exit dates acknowledged by the Commission is required to mitigate the risk of the Company being contractually compelled to continue operating an uneconomic and polluting resource that does not adequately help the Company balance its resource portfolio of the future.
4. With firm exit dates in place, Boise City would continue to encourage the Company to apply for a cost reduction order for the expenses currently in front of the Commission and for future decommissioning of the Bridger Plant, including environmental remediation and other to-be-determined costs. Boise City recognizes the significant cost-savings identified in RMI's securitization analysis presented by Sierra Club and Idaho Conservation League.

Joint Comments of Idaho Conservation League and Sierra Club at 32. Additionally, the

analysis presented by the Industrial Customers of Idaho Power on the Company's capital structure and securitization's limited impact on the Company's financial position is encouraging. Comments of the Industrial Customers of Idaho Power at 4-5. At this period of transition to cheaper, non-fueled clean energy resources, during which the Company faces significantly higher than forecasted natural gas and market energy prices, and less robust hydroelectric generation, promoting affordability through all reasonable mechanisms is critical to the Company's ability to provide reliable, least-risk electricity service at reasonable rates. In addition to customer benefits, a utility cost reduction order would provide benefits to Idaho Power in the form of a definitive prudence determination of appropriately incurred expenses and cash up front to invest in replacement resources.

5. In conclusion, Boise City recommends the Commission order the Company to negotiate exit dates ending the Company's participation in coal-fired generation at all 4 Bridger Plant units and provide the Commission and Parties regular status reports on negotiations. Additionally, Boise City encourages the Company to consider the benefits of applying for a utility cost reduction order to the Commission to promote affordability and a cost recovery schedule that is more favorable in the broader context of the on-going clean energy resource transition.

DATED this 12th day of May 2022.



Ed Jewell,
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CERTIFICATE OF SERVICE

I hereby certify that I have on this 12th day of May 2022, served the foregoing documents on all parties of counsel as follows:

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